

VISA U.S.A. INC.
SPECIAL MEETING OF THE BOARD OF DIRECTORS
December 2, 1991

P-0002

**GOVERNMENT
DEPOSITION
EXHIBIT
171**

HIGHLY CONFIDENTIAL - OUTSIDE COUNSEL EYES ONLY

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VISA U.S.A. INC.
SPECIAL MEETING OF THE BOARD OF DIRECTORS
December 2, 1991

**GOVERNMENT
DEPOSITION
EXHIBIT
291**

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**GOVERNMENT
DEPOSITION
EXHIBIT
931**

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VISA U.S.A. INC.
SPECIAL MEETING OF THE BOARD OF DIRECTORS
December 2, 1991

A special meeting of the Board of Directors of Visa U.S.A. Inc. was held at The Four Seasons in Irving, Texas on December 2, 1991 at 1:00 p.m. All Directors were present, except Mr. John Engler. Visa staff were present. Mr. Bennett Katz acted as Secretary.

1147. DIRECTORSHIP FOR CEO OF VISA INTERNATIONAL: BY-LAW AMENDMENT

In order to amend Section 5.02 of the By-Laws of the corporation to provide for the Chief Executive Officer of Visa International to serve on the Board of Directors of the corporation and upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that Section 5.02 of the By-Laws of the corporation be and is hereby amended:

- (i) by adding thereto a new subsection 5.02(f) as follows:

"The Chief Executive Officer of Visa International shall, upon his appointment and by virtue thereof, become a voting member of the Board of Directors"; and

- (ii) by redesignating existing subsection 5.02(f) as subsection 5.02(g).

1148. LEGISLATION

- (a) **Rate Cap Legislation**

The Board briefly reviewed the proposed rate cap legislation and the activities of Visa in that connection.

REDACTED

1149. **MEMBERSHIP**

At its last meeting, the Board considered two alternatives for membership eligibility: first, allow open access without equity rights, increasing initial fees to match MasterCard and adopting rules to protect the brand; second, close membership to institutions owned by non-banks and roll back duality between Visa and MasterCard. The Board had requested counsel to further refine both proposals and study the impact of the roll-back of duality.

Counsel reported on the results of a survey conducted to assess the impact of the roll-back. In light of the significant adverse impacts on the membership and the threat of litigation, management recommended against the proposal to close membership and roll back duality.

After an extensive discussion and upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that the corporation hereby adopts in principle open access to the Visa system for financial institutions eligible for federal deposit or share insurance, subject to the adoption at the next Board meeting in February of By-laws and Operating Regulations establishing the terms and conditions of such access; this open access principle shall not include actual competitors of Visa such as Sears and American Express;

And be it further

RESOLVED, that as part of the terms and conditions of access, the Board will consider: (i) expanding the exclusion of actual competitors to potential competitors; (ii) the freezing of equity

rights; (iii) fees based on value of the franchise; and (iv) legal opinions relating to these rules;

And be it further

RESOLVED, that until the adoption of these new By-laws and Operating Regulations, the Board and management will not accept any applicants which (i) were ineligible for membership prior to December 9, 1991, or (ii) have submitted applications after December 2, 1991;

And be it further

RESOLVED, that in light of the expiration on December 9, 1991 of the last paragraph of Section 2.01 of the By-laws, a new paragraph is hereby added to Section 2.01 to become effective December 9, 1991 to read as follows:

Notwithstanding anything to the contrary contained in these By-laws, until February 15, 1992, unless the Board of Directors by a three-quarters vote of its entire membership has given its prior consent thereto, any Member of the corporation shall no longer be eligible for membership, and its membership shall automatically terminate if control of such Member is acquired or first exercised subsequent to November 29, 1990 by a company that itself is ineligible for membership in Visa U.S.A. or Visa International unless such company is already a Member of Visa or owns 25 percent or more of the voting stock of a Member of Visa.

1150. APPLICATIONS FOR MEMBERSHIP

First Security Service Company and SecureData Corporation have applied for proprietary membership. Under the moratorium, non-banks are not eligible for membership even if wholly owned by a Member without the prior approval of the Board. Upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that First Security Service Company and SecureData Corporation, both wholly owned by Proprietary Members, be and are hereby accepted for proprietary membership.

There being no further business, the meeting was adjourned.


Bennett R. Katz, Secretary